

**IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA**

*Alexandria Division*

UNITED STATES OF AMERICA

v.

Case No. 1:21-mj-260

QINBEN CHEN,

*Defendant.*

**AFFIDAVIT IN SUPPORT OF A CRIMINAL  
COMPLAINT AND ARREST WARRANT**

I, Michael Y. Jeng, being duly sworn, hereby, depose and state as follows:

**INTRODUCTION**

1. I am employed as a Special Agent of the Federal Bureau of Investigation (“FBI”) and have been so employed since June 2, 2017. Currently, I am assigned to a squad that investigates organized criminal enterprises and is based at the Washington Field Office – Northern Virginia Resident Agency in Manassas, Virginia. As a Special Agent, I am authorized to investigate violations of laws of the United States and am authorized to execute warrants issued under the authority of the United States. My duties with the FBI include, but are not limited to: the investigation of alleged violations of Federal criminal statutes which involve financial institutions; the investigation of complex financial crimes, including extensive document review, analysis and witness interviews; and the preparation, presentation and service of criminal complaints, arrest and search warrants.

2. This affidavit is based on my personal investigation and the investigation of others, including federal and local law enforcement officials whom I know to be reliable. The facts and

information contained in this affidavit are based upon witness interviews and my review of records, documents, and other physical evidence obtained during this investigation. This affidavit does not include each and every fact known to the government, but only those facts necessary to support a finding of probable cause to support the requested Criminal Complaint.

3. I make this affidavit in support of a criminal complaint charging the defendant, QINBIN CHEN with, from on or about October 1, 2019 to on or about March 9, 2020, in the Eastern District of Virginia and elsewhere, knowingly and intentionally conspiring and agreeing with others to commit wire fraud by knowingly devising and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises; and transmitting and causing to be transmitted interstate wire communications in furtherance of the conspiracy, contrary to Title 18, United States Code, Section 1343 and in violation of Title 18, United States Code, Section 1349.

### **PROBABLE CAUSE**

#### **I. The Scheme to Defraud**

4. This investigation was predicated by a complaint that Walmart made to the FBI in 2019. According to Walmart fraud investigators, several individuals had been redeeming large quantities of Walmart gift cards at Walmart and Sam's Club stores located throughout the United States since in or about June of 2019. Information provided by several law enforcement agencies from around the United States showed that these gift cards had originally been purchased by victims of various online and telephone scams. The victims did not have any apparent ties to the conspirators redeeming the gift cards and, in many instances, the gift cards were redeemed sometimes hours after the original purchase, regardless of where the purchase occurred.

5. To achieve the object of the conspiracy, Defendant and his coconspirators engaged in

the following conduct in the Eastern District of Virginia and elsewhere:

- a. Conspirators contacted victims by telephone or through their computers.
- b. Conspirators assumed fictitious identities and made materially false and fraudulent representations and promises to induce their victims to purchase gift cards, including gift cards to be redeemed at Walmart stores.
- c. Conspirators then directed the victims to send to members of the conspiracy through wire communications the gift cards' redemption codes, which are codes used to redeem the value of the gift card without having the physical card.
- d. Conspirators then used the redemption codes obtained by fraud to purchase goods and additional gift cards from Walmart stores.

6. According to Walmart investigators, these conspirators who redeemed the gift cards had redeemed over \$500,000.00 in Walmart gift cards that had been purchased by over 400 suspected or confirmed victims of fraud. Law enforcement learned that several of these redeemers resided in the Northern Virginia area.

## **II. Cooperating Defendant-1 Implicates CHEN in the Fraudulent Scheme.**

7. Cooperating Defendant-1 ("CD-1") was arrested by the Loudoun County Sheriff's Office (LCSO) on or about March 9, 2020 at a Walmart store located in Sterling, Virginia. At the time of the arrest, CD-1 was in the process of redeeming gift cards. On or about November 20, 2020, CD-1 pleaded guilty in the U.S. District Court for the Eastern District of Virginia to one count of conspiracy to commit wire fraud and was sentenced to seven months' imprisonment. CD-1 cooperated with the government with the hopes of receiving a reduced sentence.

8. CD-1 informed law enforcement that they worked as a gift card redeemer for CHEN

from on or about October 1, 2019 until their arrest on or about March 9, 2020. CD-1 originally learned of the job by seeing an advertisement posted on the Chinese social media and communications platform WECHAT. CHEN told CD-1 that CHEN had a business in which his customers asked CHEN to purchase gift cards for them. CHEN needed individuals such as CD-1 to obtain these gift cards.

9. For the job, CHEN would provide CD-1 with the numbers and PINs of gift cards that CHEN wanted CD-1 to redeem. CD-1 would store the information for multiple gift cards on their cellphone using an application named Giftme. CD-1 would then go to Walmart and Sam's Club stores to redeem the gift cards for other gift cards. CHEN would oftentimes specify which gift cards to purchase (*e.g.*, iTunes, Google) and how much to load onto each. CD-1 would then meet CHEN in person to deliver the newly-purchased gift cards as well as to receive payment for their work. CHEN also instructed CD-1 to take pictures of the receipts with CD-1's cellphone and to text the pictures to CHEN. In some instances, CHEN instructed CD-1 to use the redeemed gift card funds to purchase Apple products, which CD-1 would then deliver to CHEN.

10. During CD-1's arrest, law enforcement seized a cellphone and examined it pursuant to a search warrant. A WECHAT text thread between CD-1 and CHEN was discovered which corroborated the information CD-1 provided to law enforcement. During a later interview, CD-1 confirmed that CD-1 and CHEN communicated through the WECHAT thread law enforcement believed to contain communications between CD-1 and CHEN, which. CD-1 identified through the substance of the messages, the name of the participant, and the profile picture.

11. While the thread was written mostly in Chinese-Mandarin, law enforcement was able understand the messages' contents through: (1) your affiant's limited working knowledge of Chinese-Mandarin; (2) FBI translation services; (3) open source translation aids; and (4) interviews

with CD-1 about the contents of the messages. Throughout the thread, CHEN provided the numbers and PINs of several hundred gift cards to CD-1, as well as the addresses of various locations in the Washington, D.C. metropolitan area for CD-1 to meet CHEN.

12. Law enforcement worked with Walmart investigators to analyze some of the gift cards described in the messages and confirmed that they were purchased by victims of fraud.

***A. Chen and CD-1 Defraud Victim 1.***

13. VICTIM 1 is a resident of New York. In or about February of 2020, VICTIM 1 received a call from someone claiming that VICTIM 1 was being investigated by the FBI and local police for “social security fraud.” To resolve the situation, the caller instructed VICTIM 1 to send money to the caller in various ways. This included instructing VICTIM 1 to purchase four Walmart gift cards of \$500 each and to provide the card numbers and PINs to the caller. On or about February 28, 2020, VICTIM 1 complied and purchased the cards from approximately 3:14 p.m. to 3:20 p.m. CD-1’s WECHAT thread with CHEN showed that on or about 5:47 p.m. on February 28, CHEN sent CD-1 the numbers and PINs for four gift cards. The first three matched the numbers and PINs of gift cards purchased by VICTIM 1. The fourth was nearly identical to the number and PIN of the fourth gift card VICTIM 1 purchased, except that two digits were reversed. CHEN also sent CD-1 a message stating, “500 each.” Walmart investigators informed law enforcement that all four of VICTIM 1’s gift cards were redeemed by CD-1 at or about 5:53 p.m. on the same day at a Walmart store located in Sterling, Virginia. At approximately 6:03 p.m. on the same day, CD-1 informed CHEN on WECHAT that the task was complete. VICTIM 1 eventually reported this incident to law enforcement.

***B. CHEN and CD-1 Defraud VICTIM 2.***

14. VICTIM 2 is a resident of Midlothian, Virginia, a city that is within the Eastern

District of Virginia. On or about November 6, 2020, VICTIM 2 spoke to an individual over the telephone who identified himself as “JOHN.” Law enforcement believes “JOHN” is an alias and is not the conspirators’ true identity. JOHN claimed that VICTIM 2 was eligible for a \$400.00 refund for VICTIM 2’s recently-purchased virus software. JOHN claimed that when he attempted to deposit the refund into VICTIM 2’s bank account, JOHN had mistakenly deposited \$3,500.00 into VICTIM 2’s account. To correct this mistake, JOHN instructed VICTIM 2 to purchase \$3,000.00 in Walmart and Best Buy gift cards and to send JOHN the card numbers and PINs. VICTIM 2 complied. Information from Walmart showed that VICTIM 2 purchased two Walmart gift cards of \$500.00 each from a Sam’s Club store at approximately 2:02 p.m. on November 6, 2020. At approximately 2:35 p.m., CD-1’s WECHAT thread showed that CHEN sent the information for these two cards to CD-1 to redeem. Walmart investigators confirmed that CD-1 later redeemed these cards.

15. Information provided by Walmart investigators showed that CD-1 redeemed approximately \$42,557.92 in gift cards at Sam’s Club stores during the time CD-1 worked for CHEN.<sup>1</sup> Law enforcement’s review of CD-1’s WECHAT thread with CHEN further corroborates that CD-1 redeemed gift cards at Sam’s Club stores for CHEN. At the time of CD-1’s arrest, LCSO discovered that CD-1 possessed approximately \$12,470.00 in gift cards, bringing the total victim loss amount attributable to CHEN via CD-1’s redemptions to \$55,027.92. Law enforcement believes that the true amount of victim funds redeemed by CD-1 at the instruction of CHEN is much higher given that CD-1 conducted redemptions at other locations as well.

### **III. Cooperating Defendant-2 Implicates CHEN in the Fraudulent Scheme.**

16. Cooperating Defendant-2 (“CD-2”) was arrested by the FBI on or about March 3,

---

<sup>1</sup> All Sam’s Club transactions require the use of a Sam’s Club membership card. Since these redemptions were conducted using CD-1’s membership, law enforcement attributes all of these transactions to CD-1.

2020. CD-2 was charged in the U.S. District Court for the Eastern District of Virginia with one count of conspiracy to commit wire fraud. After pleading guilty, CD-2 was sentenced to nine months' imprisonment. CD-2 cooperated with the government with the hopes of receiving a lesser sentence.

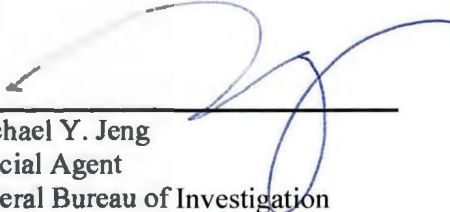
17. Like CD-1, CD-2 also worked as a gift card redeemer for CHEN. CD-2 met CHEN in or about 2017 and CHEN recruited CD-2 to work as a gift card redeemer in or about the beginning of 2018. CD-2 worked for CHEN for approximately one or two months in this capacity. CD-2 created a Sam's Club membership in CHEN's name in order to conduct some of CHEN's gift card redemptions. CD-2 stopped working for CHEN because CD-2 was not satisfied with the amount of payment.

18. On or about September 29, 2020, CHEN contacted CD-2 via text message and attempted to re-recruit CD-2. In essence, CHEN offered to pay CD-2 more if CD-2 resumed redeeming gift cards. CD-2 declined CHEN's offer and voluntarily provided copies of these messages to law enforcement. CHEN texted CD-2 from the phone number (202) 867-8859. CD-1 confirmed that CHEN has used this phone number in the past.

### **CONCLUSION**

19. Based on the information contained herein, I respectfully submit that there is probable cause to believe that from on or about October 1, 2019 to on or about March 9, 2020, in the Eastern District of Virginia and elsewhere the defendant, QINBIN CHEN, knowingly and intentionally conspired and agreed with each other and with others to commit wire fraud, by knowingly devising and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts; and by transmitting and causing to be transmitted interstate wire communications in

furtherance of the conspiracy, contrary to Title 18 United States Code Section 1343 and in violation of Title 18, United States Code, Section 1349.




---

Michael Y. Jeng  
Special Agent  
Federal Bureau of Investigation

Reviewed by: Christopher Hood, Assistant United States Attorney

Sworn and subscribed before me on this 23rd day of July 2021.

Theresa C.  
Buchanan



Digitally signed by Theresa C.  
Buchanan  
Date: 2021.07.23 11:20:35 -04'00'

---

The Honorable Theresa C. Buchanan  
*United States Magistrate Judge*